

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CHRISTOPHER DELMONICO,
Derivatively on Behalf of Nominal
Defendant SEQUENTIAL BRANDS
GROUP, INC.,

Plaintiff,

v.

YEHUDA SHMIDMAN, KAREN
MURRAY, GARY KLEIN, ANDREW
COOPER, WILLIAM SWEEDLER,
AL GOSSETT, AARON
HOLLANDER, GARY JOHNSON,
STEWART LEONARD, JR.,
MARTHA STEWART, RODNEY S.
COHEN, and DAVID CONN,

Defendants,

and

SEQUENTIAL BRANDS GROUP,
INC.,

Nominal Defendant.

Case No. 1:21-cv-00060-CFC

STIPULATION TO STAY DERIVATIVE ACTION

WHEREAS, On January 20, 2021, Plaintiff Christopher Delmonico ("Plaintiff") filed a stockholder derivative action in this Court for the benefit of Nominal Defendant Sequential Brands Group, Inc. ("Sequential") against Individual

Defendants Yehuda Shmidman, Karen Murray, Gary Klein, Andrew Cooper, William Sweedler, Al Gossett, Aaron Hollander, Gary Johnson, Stewart Leonard, Jr., Martha Stewart, Rodney S. Cohen, and David Conn (collectively, the “Individual Defendants”) (the “Derivative Action”);

WHEREAS, counsel for Plaintiff has conferred with counsel for Sequential and counsel for the Individual Defendants regarding the status of this litigation and the appropriate next steps;

WHEREAS, the Derivative Action involves overlapping parties and factual allegations as a related federal securities fraud action filed on December 11, 2020, in the United States District Court for the Southern District of New York, captioned *Securities and Exchange Commission v. Sequential Brands Group, Inc.*, Case No. 20-cv-10471 (the “Securities Action”); and

WHEREAS, based upon the overlapping parties and factual allegations contained in the Derivative Action and the Securities Action, and to avoid the unnecessary expenditure of judicial resources, counsel for Plaintiff, counsel for Sequential, and counsel for the Individual Defendants, have agreed, subject to this Court’s approval, to temporarily stay prosecution of the Derivative Action until the resolution of Sequential’s motion to dismiss in the Securities Action.

NOW, THEREFORE, Plaintiff, Sequential, and the Individual Defendants, by and through their undersigned counsel, hereby jointly stipulate as follows:

1. All proceedings in the Derivative Action will be stayed until resolution of Sequential's motion to dismiss in the Securities Action.

2. Sequential shall promptly notify Plaintiff of the resolution of Sequential's motion to dismiss in the Securities Action.

3. Notwithstanding the voluntary stay of the Derivative Action, Plaintiff may amend his complaint once during the pendency of the stay without leave of court. Defendants shall not be required to move, answer, plead, or otherwise respond to the complaint or any amended complaint during the pendency of the stay of proceedings.

4. This stay shall not apply to any motions, stipulations, or any other related filings, pertaining to consolidation of any related shareholder derivative actions and/or appointment of lead plaintiff(s) and lead and liaison counsel(s).

5. Within thirty (30) days after the stay is lifted, the Plaintiff, Sequential, and the Individual Defendants shall meet and confer and submit to the Court a proposed scheduling order governing further proceedings in the Derivative Action.

6. All deadlines and hearings will be postponed until after the stay is lifted.

Dated: February 17, 2021

SO ORDERED, this 18th day of February, 2021.



United States District Judge

AGREED:

/s/ Brian E. Farnan

Brian E. Farnan (Bar No. 4089)
Michael J. Farnan (Bar No. 5165)
919 N. Market St., 12th Floor
Wilmington, Delaware 19801
(302) 777-0300
bfarnan@farnanlaw.com
mfarnan@farnanlaw.com

FARNAN LLP

*Counsel for Plaintiff Christopher
Delmonico*

/s/ Laura Davis Jones

Laura Davis Jones (Bar. No. 2436)
919 North Market Street 17th Floor
Wilmington, Delaware 19801
(302) 778-6401
ljones@pszjlaw.com

**PACHULSKI STANG ZIEHL &
JONES LLP**

Counsel for Sequential

OF COUNSEL:

Mark A. Kirsch
Mary Beth Maloney
200 Park Avenue
New York, New York 10166
(212) 351-4000
mkirsch@gibsondunn.com
mmaloney@gibsondunn.com

GIBSON, DUNN & CRUTCHER LLP

Counsel for Sequential

/s/ Rudolph Koch

Rudolf Koch (Bar. No. 4947)
Daniel E. Kaprow (Bar. No. 6295)
920 North King Street
Wilmington, Delaware 19801
(302) 651-7721
koch@rlf.com
kaprow@rlf.com

RICHARDS, LAYTON & FINGER, P.A.

Counsel for Individual Defendants